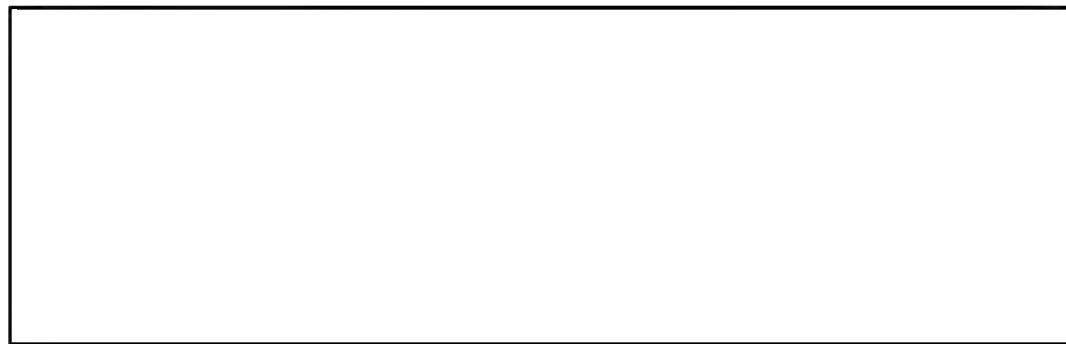


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25X1

*CONTENTS*

UNIDO in Limelight in Lima . . . . . 1-2

ANNEX

West Europeans Increasingly Positive  
Toward MBFR . . . . . 3-5

-i-

March 11, 1975



UNIDO in Limelight in Lima

The familiar demands of the developing states for a reordering of the world economic order will be raised again at the second General Conference of the United Nations Industrial Development Organization (UNIDO) being held in Lima, Peru during March 12-26. With radical developing states, especially Algeria, increasingly able to set the tone for the demands of the developing states, it is unlikely that the conference will be able to avoid the clashes between developed and developing states which characterized the UN General Assembly last fall and the special UN general assembly on development held in April 1974.

The UNIDO conference will also be the forum for such purely political demands of the third world group as participation by national liberation groups including the PLO, and, possibly, attempts to exclude Israel from UNIDO-sponsored activities or assistance.

UNIDO was established in 1967 as a subsidiary body of the General Assembly and, unlike the UN's specialized agencies, depends on the Assembly for general guidance and most of its funds. The organization primarily provides technical services to developing states for the purpose of inaugurating or strengthening industrialization programs. UNIDO has established a number of pilot plants to study the feasibility of certain types of industrialization in individual developing countries.

At the center of the substantive debate in Lima will be a draft proposal prepared by the Group of 77--an association of more than

March 11, 1975

100 developing states that coordinate positions in the UN framework--aimed at securing for the developing countries 25 percent of the world's industrial production by the end of the century. The proposal calls for the creation of additional raw material producers associations, liberalizing provisions for the transfer of technology, and a new industrial investments fund supported by the developed states. Under Algerian leadership, the Group of 77 has also included other provisions from the "Declaration for a New World Economic Order" and the "Charter of Economic Rights and Duties of States," which the developing countries railroaded through the UN last year by wide majorities.

The developing states are also trying to split UNIDO from the General Assembly and make it a specialized agency of the UN. The developing countries feel that UNIDO would then have greater autonomy in determining priorities among its programs and could assume the coordinating role within the UN system in the field of industrial development.

The industrialized nations have been caucusing to develop a common stand for the meeting, but few are optimistic about being able to avoid at least a minor clash. The basic stance of the developed countries will be defensive. In the face of a world-wide economic slowdown, few will be willing to commit funds--especially if the oil-producing states do not themselves contribute heavily. Nevertheless, they will probably go along with general resolutions providing for a realignment of economic priorities to help developing nations if these avoid the excessive positions advocated in the "Declaration" and the "Charter."

25X1

March 11, 1975

-2-

ANNEXWest Europeans Increasingly Positive  
Toward MBFR

In the past year, several West European nations have shifted dramatically their approach to the mutual and balanced force reduction talks in Vienna. Growing economic pressure for reduced defense spending has led most of the West Europeans to see the talks as a way for them to make troop cuts that would not be seen to weaken NATO vis-a-vis the Warsaw Pact.

Last autumn, some West Europeans were thinking of recommending that the allied negotiating position be substantially revised in order to get the talks moving. Such a recommendation was never made formally, in part because the West Europeans were waiting for the US to say it was willing to have nuclear matters included in the Western negotiating package.

The West Europeans will continue to look for ways to move the negotiations, and they will not always see eye to eye with the US and with each other on negotiating issues and tactics. Several of the West Europeans, for example, now seem inclined to believe that a nuclear offer is necessary, but there are distinct national positions on how such an offer should be employed.

Britain, once very skeptical about the force reduction talks, is now in the forefront of those looking for progress. In no small part, the change is due to the Labor government, which came to power last March.

March 11, 1975

Labor leaders tend to view the negotiations in different terms than did their Conservative predecessors. The Laborites do not have a firm commitment to increased West European defense cooperation. The reservations of their predecessors about the force reduction talks were largely due to fears that the talks might reduce chances for defense cooperation.

Labor also came to office with a pledge to reduce defense expenditures significantly. The government's defense review will result in some cutbacks in British commitments to NATO. While the government has so far refrained from announcing cuts in British troops stationed in central Europe, London would clearly like to realize additional savings by making cuts in the context of the force reduction talks.

In the Netherlands, the three leftist parties in the coalition are pledged to reduce defense spending, while the two centrist parties insist that it be done without adversely affecting NATO.

As a compromise, the government has announced significant cuts in Dutch military forces, but promised not to implement the cuts unilaterally as long as the force reduction talks are in progress. The Dutch defense minister has even announced that the 1975 defense budget will be increased to cover the cost of maintaining the ground forces at their present level.

The Belgian Government has reaffirmed strongly the Belgian commitment to NATO, but has also proclaimed the goal of reducing by 1978 the period of conscript service from twelve to six months.

If Belgium is to meet this schedule without a reduction in its commitment to NATO, a large number of volunteers will be needed. Troop reductions as a result of the force reduction talks

March 11, 1975

would make it easier for the Belgians to adhere to their goal of reducing defense expenditures.

The West Germans are an exception. They have not changed their views on the costs and benefits of the negotiations. The main benefit, in German eyes, would be for the talks to forestall unilateral US troop cuts.

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Despite the changes in attitude by several of the West European countries, the concerns these countries have always had about the force reduction talks will not be forgotten.

If the negotiations begin to move ahead, the West Europeans may very well begin to worry that an agreement:

--Could decrease rather than increase NATO's security.

--Might turn out to be a US-Soviet deal detrimental to Europe.

--Could seriously limit future West European defense cooperation.

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March 11, 1975